



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



**35th DIRECTING COUNCIL**  
42nd SESSION OF THE REGIONAL COMMITTEE

*Washington D.C., 23-28 September 1991*

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***RESOLUTION***

***CD35.R18***

**DEBT CONVERSION**

*THE 35th DIRECTING COUNCIL,*

Considering that:

The economic crisis in the countries of the Region and their policies for adjusting to it have reduced the resources available to the health sector;

Several initiatives have been undertaken to convert the external debt of countries in the Region into local currency and to obtain additional resources for the financing of socioeconomic development projects, the initiatives having been conducted both in negotiations by the debtor countries with private banks and in the area of bilateral relations, as in the case of President Bush's Enterprise for the Americas initiative;

Consideration is being given to the possibility of converting the indebtedness to the public sectors of the Club of Paris countries for application to social projects in the debtor countries;

Other United Nations agencies are experimenting with debt conversions to finance social projects;  
and

The health sector has hitherto benefited very little from these initiatives,

***RESOLVES***

1. To recommend to the economic and health authorities in the PAHO/WHO Member Countries that they explore the possibilities of converting part of their respective debts into local currency for the financing of health projects and, if they consider this course feasible, that they establish the mechanisms needed to implement such operations.
2. To urge the creditor countries, the international financing agencies, and the private banks to extend to the developing countries in the Region debt conversion facilities for the financing of projects in the health sector as is done in other sectors.
3. To call upon the nongovernmental organizations operating at the country and regional levels to support the countries of the Region in their efforts to introduce cost-effective health services and to search for new resources to finance health projects through external debt conversion operations.
4. To request the Director of PASB to support the Member Countries in their efforts to attract resources for the financing of health projects through external debt conversion, in the promotion of this mechanism at the international level, and in the formulation, execution, and evaluation of the resulting projects, and to report to the XXXVI Meeting of the Directing Council on the progress of his efforts in this direction.

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